

## **SETTLEMENT AGREEMENT AND MUTUAL RELEASE**

This Settlement Agreement and Mutual Release (hereinafter the “Agreement”) is made and entered into by and between the Los Angeles Unified School District (“LAUSD”), the Los Angeles County Metropolitan Transportation Authority (“LACMTA”), the County of Los Angeles (“the County”), the Los Angeles Community College District (“LACCD”), and the State of California (including the Regents of the University of California (“the Regents”), California State University Los Angeles, California State University Northridge, Caltrans, California Highway Patrol, the California Department of Corrections, the California Department of Motor Vehicles, the California Employment Development Department, the California Department of General Services, the California Department of Parks and Recreation, the California Department of Food and Agriculture, and the California State Teacher’s Retirement System (“the State”) (referred to collectively as “Plaintiffs”), and Samir F. Barakat and Barakat Consulting, Inc. (collectively, “Relators”), on the one hand, and the City of Los Angeles acting by and through the Los Angeles Department of Water & Power (“DWP”), on the other hand.

### **DEFINITIONS**

The following definitions shall apply in this Agreement:

1. Action. The “Action” shall mean and refer to the legal action captioned State of California ex rel. Samir F. Barakat, et al. v. Los Angeles Department of Water and Power, Case No. SCVSS 100293, now pending in the Superior Court of the State of California, County of San Bernardino, including, without limitation, all complaints,

complaints-in-intervention, and cross-complaints, and shall encompass all allegations heretofore made in the above-referenced litigation.

2. Parties. "Parties" shall mean and refer to Plaintiffs, Relators, and DWP.
3. Effective Date. "Effective Date" shall mean and refer to the date by which all of the Parties have executed this Agreement and the governing boards of all Plaintiffs and DWP have approved the settlement.
4. Local Governmental Plaintiffs. "Local Governmental Plaintiffs" shall mean and refer to all Plaintiffs except Relators and the State.
5. Person. "Person" shall mean and refer to any individual, governmental entity or business entity.
6. Environmental Attributes. "Environmental Attributes" of Projects (as defined in Paragraph 1.2 below) shall mean and refer to the environmental characteristics, attributes and benefits that (i) differentiate the Projects from fossil-fuel based energy projects, or (ii) avoid environmental impacts on air, soil or water, including, but not limited to, the absence of emission of gases, chemicals, particulate matter or other substances, or (iii) comply with the rules and standards of the United Nations Framework Convention on Climate Change (the "UNFCCC") or the Kyoto Protocol to the UNFCCC or any state or federal entity given jurisdiction over a program involving transferability of Environmental Attributes.
7. Environmental Incentives. "Environmental Incentives" of Projects shall mean and refer to all rights, credits (including tax credits), rebates, benefits, reductions, offsets, and allowances and entitlements of any kind, howsoever entitled or named

(including carbon credits and allowances), whether arising under federal, state or local law, international treaty, trade association membership or the like arising from the Projects or the Environmental Attributes of the Projects, including, but not limited to, green tags, renewable energy credits, tradable renewable certificates, portfolio energy credits, the right to apply for (and entitlement to receive) incentives under the Self-Generation Incentive Program, the Emerging Renewables Program, the California Solar Initiative or other incentive programs offered by the State of California and the right to claim federal income tax credits under Sections 45 and/or 48 of the Internal Revenue Code.

#### **RECITALS**

WHEREAS, the complaints originally filed by Relators in the Action (“Complaints”) alleged causes of action under the California False Claims Act on behalf of Plaintiffs, in the names of Plaintiffs;

WHEREAS, Plaintiffs intervened and filed complaints-in-intervention in the Action (“Complaints-In-Intervention”), which incorporated the allegations of Relators’ Complaints under the California False Claims Act, and also alleged common law causes of action and other causes of action for violation of the California Government code;

WHEREAS, Plaintiffs alleged that the rates and charges established by DWP for electricity service supplied to Plaintiffs by DWP included Capital Facilities Fees, as such fees were then defined in Government Code section 54999.1(b), and that DWP violated Government code sections 54999 *et seq.* by charging Plaintiffs excessive Capital Facilities Fees on their electric utility bills;

WHEREAS, Plaintiffs sought relief in the form of recovery of excessive Capital Facilities Fees;

WHEREAS, DWP answered the Complaints-In-Intervention, denying that it charged Plaintiffs excessive Capital Facilities Fees, and denying all liability in the Action;

WHEREAS, DWP subsequently filed a cross-complaint ("Cross-Complaint") against Plaintiff Los Angeles Unified School District ("LAUSD"), alleging that LAUSD had breached and otherwise failed to renew its contract with DWP for the purchase of electricity;

WHEREAS, the trial court dismissed DWP's Cross-Complaint with prejudice;

WHEREAS, the California False Claims Act allegations were all dismissed prior to trial;

WHEREAS, the Relators dismissed all of their claims and allegations prior to trial;

WHEREAS, the Parties engaged in mediation on September 24 and 27, 2007, and October 21, 2007, engaged in subsequent settlement discussions, and as a result of such mediation and settlement discussions agreed to settle and resolve the Action, and have obtained the approval of this Agreement from their respective authorized governing boards and/or representatives; and

WHEREAS, the Parties have now agreed to compromise their disputes regarding the claims alleged or asserted in the Action, and in consideration of the mutual promises, agreements, releases, covenants, and conditions contained in the recitals above and the

provisions set forth below, the sufficiency of such consideration being hereby acknowledged, the Parties agree to settle their disputes regarding the claims alleged or asserted in the Action pursuant to the terms stated below.

## **AGREEMENT**

### **ARTICLE 1: PAYMENT OF SETTLEMENT CONSIDERATION**

1.1. **Immediate Cash Payment.** Within thirty (30) days after the delivery of the dismissal described in Paragraph 4.1, DWP will pay a total of \$60 million in cash to Plaintiffs. The payment to the Local Governmental Plaintiffs shall be \$50,129,023, which shall be paid by wire transfer to the Phillips & Cohen Trust Account, representing a payment of \$25,383,313 for LAUSD; \$11,067,437 for LACMTA; \$12,410,120 for the County; and \$1,268,152 for LACCD. The payment to the State shall be \$9,870,977, which shall be paid directly by DWP through wire transfer as follows: (1) \$4,816,698 to the California Department of Justice Litigation Deposit Fund per the instructions in Attachment B; (2) \$488,709 to the CalSTRS account per the instructions in Attachment C; (3) \$837,839 to the Regents per the instructions in Attachment D; and (4) \$3,727,730 to the Phillips & Cohen Trust Account. Plaintiffs, and each of them, hereby release DWP from any liability for any and all actions or inactions related to those funds following the successful wire transfer of each of the described sums as requested above by the Plaintiffs. The amount deposited in the California Department of Justice Litigation Deposit Fund shall then be disbursed per the instructions in Attachment A.

1.2. Restricted Accounts. In further consideration of the agreements herein, within thirty (30) days after the delivery of the dismissal described in Paragraph 4.1, each Plaintiff except for the Regents shall create an account (a "Restricted Account") solely for the purpose of disbursing funds to be used in the manner set forth in this paragraph, and DWP shall deposit to such accounts the total sum of \$67.8 million, in the following amounts: \$28,000,000 for LAUSD; \$11,000,000 for LACMTA; \$13,000,000 for the County; \$4,000,000 for LACCD; and \$11,800,000 for the State. Out of the above amounts, DWP shall pay directly to the Relators \$2,090,000 for LACMTA; \$2,470,000 for the County; \$760,000 for LACCD; and an amount for LAUSD to be determined, but not to exceed \$5,320,000. The State's payment shall be made directly by DWP through wire transfer as follows: (1) \$9,723,200 to the California Department of Justice Litigation Deposit Fund per the instructions in Attachment B and (2) \$2,076,800 to CalSTRS per the instructions in Attachment C. All payments to the Relators shall be made to the Phillips & Cohen Trust Account. Funds paid under this Paragraph shall be used to defray the cost of programs or projects described in Paragraph 1.2.4 ("Projects"). Each Plaintiff may withdraw funds from the Restricted Accounts as follows:

1.2.1. Interest on the funds held in Restricted Accounts shall accrue to the Plaintiffs and individual Plaintiffs may invest the funds at their discretion.

Plaintiffs release DWP from any and all claims related to the management of said Restricted Accounts, including without limitation, any decline in the value of the Accounts which may result or be related to investments by the Plaintiffs.

1.2.2. Disbursements from the Restricted Accounts shall supplement, rather than replace, ordinary DWP or other third party or governmental rebate programs for Projects that would otherwise qualify for such programs. Thus, by way of example, 1) a Plaintiff's withdrawal of funds from the Restricted Account shall in no way prejudice its ability to participate in or benefit from any DWP or other third party or governmental rebate program, provided that the Plaintiff otherwise qualifies for such rebate, and 2) a Plaintiff's participation in or benefit from any DWP or other third party or governmental rebate program shall in no way prejudice its ability to withdraw funds from the Restricted Account. On the other hand, if a Plaintiff withdraws Restricted Account funds for a Project that was ineligible for a DWP rebate at the time the funds were withdrawn, but that Project subsequently becomes eligible for a DWP rebate due to a change in DWP policy, federal law, state law, or city ordinance, the Plaintiff shall not be permitted to return the funds to the Restricted Account and apply for the DWP rebate for such Project.

1.2.3. Plaintiffs shall retain all Environmental Incentives of the Projects to the same extent as if Plaintiffs had paid for such Projects from their own funds.

1.2.4. Funds can be withdrawn from the Restricted Accounts to defray the costs of Projects based on the following certification, sent to DWP, made by a person with knowledge of the circumstances of the Projects to be funded:

I HEREBY CERTIFY IN GOOD FAITH THAT THE FUNDS SOUGHT  
BY THIS REQUEST WILL BE USED, OR HAVE BEEN USED SINCE

JULY 1, 2006, TO IMPLEMENT PROGRAMS OR PROJECTS DESIGNED TO LOWER ENERGY DEMAND OR CONSUMPTION, TO ANALYZE ENERGY DEMAND OR CONSUMPTION WITH THE GOAL TO LOWER DEMAND OR CONSUMPTION, TO SHIFT DEMAND LOAD, OR TO LOWER AND CONTROL LADWP POWER SYSTEM DEMAND, AND ARE NOT OTHERWISE MANDATED BY APPLICABLE TITLE 24 PROVISIONS. THE PORTION OF THE FUNDS IN EACH RESTRICTED ACCOUNT THAT MAY BE USED TO COVER GENERAL AND ADMINISTRATIVE (G&A) COSTS OF THE PROGRAMS OR PROJECTS SHALL BE NO GREATER THAN 5% OF THE TOTAL PROGRAM OR PROJECT COSTS.

1.2.5. At the election of each Plaintiff, withdrawals from the Restricted Accounts may be made as expenses are incurred, prior to completion of the Project. Funds may be withdrawn to cover anticipated future expenditures on Projects that have been identified and that meet the criteria set forth in the certification of Paragraph 1.2.4. If the Project is not completed, or if any withdrawals from the Restricted Accounts do not otherwise meet the criteria set forth in the certification of Paragraph 1.2.4, those funds shall be repaid to the Restricted Account, with interest at the rate earned by the Restricted Account during the period such funds were withdrawn. The repayment shall be made within 30 days of the time the Project was to be completed or from the time it was determined that the Project did not meet the certification criteria.



1.2.6. DWP agrees not to challenge, and hereby waives any right to challenge, any withdrawal of funds from the Restricted Accounts, provided that a certification in the form set forth in Paragraph 1.2.4 is provided to DWP.

1.2.7. At the election of each Plaintiff, withdrawals from the Restricted Accounts may be taken in the form of bill credits issued to that Plaintiff's utility bill. In such cases, the amount of the withdrawal shall be paid by that Plaintiff to DWP from the Restricted Account after the Plaintiff receives such bill credit.

1.2.8. Each Plaintiff shall permit DWP to conduct measurement and verification ("M&V") to determine the estimated savings from Projects implemented with funds from the Restricted Accounts. In conjunction with the certification referenced in paragraph 1.2.4., Plaintiffs shall provide a separate letter to DWP briefly describing the general purpose for which the withdrawn funds were or will be used. The results of such M&V efforts shall not, however, affect whether Plaintiffs receive or retain the funds, which shall be based solely on the issuance of the good faith certification set forth in Paragraph 1.2.4. DWP shall provide all M&V data and results to each Plaintiff and shall allow Plaintiffs to publicize energy savings in whatever form they choose.

1.2.9. The Parties acknowledge that this Agreement provides for the payment of up to 19% of the \$67.8 million Restricted Account funds to be paid directly to the Relators under Paragraph 1.2. Notwithstanding such payment, the Parties agree that when the last funds are withdrawn from a Plaintiff's Restricted Account, the costs of eligible Projects funded hereunder for that Plaintiff shall be

equal to or greater than the amount paid to that Plaintiff under Paragraph 1.2, including any amounts paid to the Relators on behalf of that Plaintiff under Paragraph 1.2.

1.3. Cash Payments Over Time. In further consideration of the agreements herein, DWP will pay Plaintiffs an additional \$15 million over a period of three years, in three equal \$5 million installments, the first of which shall be paid no later than one (1) year after the delivery of the dismissal described in Paragraph 4.1, the second of which shall be paid no later than two (2) years after the delivery of said dismissal, and the third of which shall be paid no later than December 15, 2010. Such payments to the Local Governmental Plaintiffs shall be made by wire transfer of three equal installments of \$4,177,419 to the Phillips & Cohen Trust Account, to be divided among the Local Governmental Plaintiffs in the same proportions as set forth in Paragraph 1.1. The payments to the State shall be made directly by DWP through wire transfer of three equal installments of (1) \$579,636 to the California Department of Justice Litigation Deposit Fund pursuant to the instructions as set forth in Attachment B; (2) \$123,806 to the CalSTRS account pursuant to the instructions set forth in Attachment C; (3) \$101,268 to the Regents pursuant to the instructions as set forth in the instructions in Attachment D; and (4) \$17,870 to the Phillips & Cohen Trust Account. Plaintiffs, and each of them, hereby release DWP from any liability for any and all actions or inactions related to those funds following the successful wire transfer of each of the described sums.

1.4. Bill Credits. In further consideration of the agreements herein, DWP shall issue to Plaintiffs a total of \$17.2 million in bill credits to be applied to Plaintiffs' utility

bills in the following amounts: \$8,015,560 for LAUSD; \$3,332,725 for LACMTA; \$3,826,354 for the County; and \$2,025,361 for the Regents. At the election of each Plaintiff, such credits shall be issued over a period of ten years either (1) in equal monthly installments beginning thirty (30) days after delivery of the dismissal; or (2) in equal annual installments beginning six (6) months after delivery of the dismissal. Such credits shall be fully transferable by each Plaintiff, provided that such Plaintiff informs DWP in writing of the identity of its transferee(s) within thirty (30) days of the delivery of the dismissal and the amounts of its credits to be transferred. Such transfer is of the dollar value of the bill credit only, and does not include any other rights or obligations. Plaintiffs, and each of them, hereby release DWP from any liability for any and all actions or inactions related to any and all claims that the transfer of bill credits to third parties includes such other rights or obligations. DWP shall work with each Plaintiff to establish a procedure to apply bill credits to that Plaintiff's electric bills. If DWP and a particular Plaintiff cannot come to a mutually agreeable procedure within ninety (90) days after delivery of the dismissal, then DWP shall provide the bill credit in an aggregate monthly or annual amount which will be applied to electric bills as determined by that Plaintiff. Upon receipt of the above bill credits, Plaintiffs who receive bill credits shall pay to the Relators the amounts owed pursuant to applicable agreements between the Relators and such Plaintiffs.

1.5. In further consideration of the agreements herein, DWP agrees to continue to provide LAUSD with the 5% discount specified in that certain LADWP Agreement No. 10965 between LAUSD and DWP, effective September 15, 1998 and entered as

Exhibit 217 during the trial of the Action, for the full ten-year term of that agreement, in accordance with the terms stated therein. DWP shall not assert that LAUSD has breached such agreement, or that LAUSD has waived its right to the 5% discount, on the basis of the allegations of the Action or the resolution thereof, unless such breach occurs after execution of this Agreement. DWP hereby waives its right to appeal, if any, from the Court's order of January 10, 2006, dismissing with prejudice DWP's Cross-Complaint against LAUSD.

## **ARTICLE 2: BASIS OF SETTLEMENT**

2.1. DWP does not admit liability, and in fact expressly denies liability, for any claim alleged in the Action, including without limitation any Claim under the False Claims Act or for fraud or other intentional wrongdoing or misconduct, whether alleged in any Complaint or Complaint-In-Intervention, and this Agreement shall not be construed as an admission of any wrongdoing or liability.

2.2. Plaintiffs and Relators do not admit liability for any Claim alleged in the Action, including without limitation any Claim alleged in the Cross-Complaint, and any Claim alleged in response to any Complaint or Complaint-In-Intervention, and this Agreement shall not be construed as an admission of any wrongdoing or liability.

2.3. The Parties agree that none of them will cite the Court's Tentative Decision or Statement of Decision, in whole or in part, in any future legal briefings, pleadings or legal proceedings. Contemporaneously with the execution of this Agreement, the Parties will also execute a stipulation for filing with the Court to set aside/vacate the Statement of Decision and Tentative Statement of Decision.

### **ARTICLE 3: RELEASES**

3.1. Plaintiffs, and each of them, and Relators, and each of them, for themselves, their governing bodies, boards and commissions, officers, agents, employees, administrators, successors and assigns, do hereby forego, release and forever discharge DWP, the City of Los Angeles, as well as each of their respective past and present governing bodies, boards, commissions, divisions, branches, departments, agencies, predecessors, successors, and the principals, employees, associates, assigns, devisees, agents, directors, officers, representatives, insurers, lawyers, and predecessors in interest, and each of them, and all persons acting by, through, under or in concert with them (collectively the “Defendant Releasees”) from any and all actions; grounds for complaint; causes of action, in law or in equity, in contract, in tort or otherwise; suits; guarantees of indebtedness; suretyships; debts; liens; contracts; agreements; promises; liability, including all direct and/or indirect liability (including without limitation, vicarious liability); claims; demands; damages; losses; costs; expenses; defenses; set-offs; or recoupments, of any nature whatsoever, known or unknown to Plaintiffs and Relators (regardless of diligence), suspected or unsuspected, fixed or contingent, which Plaintiffs and Relators now have, ever had or will have against the Defendant Releasees, or any of them, arising out of the conduct alleged in the Action.

3.2. Subject to the other provisions and limitations set out in this Agreement, DWP and the City of Los Angeles, for themselves, their governing bodies, boards, commissions, administrators, successors and assigns, do hereby forego, release and forever discharge Plaintiffs and Relators, as well as each of their respective past and

present governing bodies, boards, commissions, divisions, branches, departments, agencies, predecessors, successors, and the principals, employees, associates, assigns, devisees, agents, directors, officers, representatives, insurers, lawyers, and predecessors in interest, and each of them, and all persons acting by, through, under or in concert with them (collectively the "Plaintiff Releasees") from any and all actions; grounds for complaint; causes of action, in law or in equity, in contract, in tort or otherwise; suits; guarantees of indebtedness; suretyships; debts; liens; contracts; agreements; promises; liability, including all direct and/or indirect liability (including without limitation, vicarious liability); claims; demands; damages; losses; costs; expenses; defenses; set-offs; or recoupments, of any nature whatsoever, known or unknown to DWP (regardless of diligence), suspected or unsuspected, fixed or contingent, which they now have, ever had or will have against the Plaintiff Releasees, or any of them, arising out of the conduct alleged in the Action.

3.3. Nothing in Paragraphs 3.1 and 3.2, and nothing in this Agreement releases or shall be construed to release the Parties or any other Person from any claims that do not arise out of the conduct alleged in the Action, including, without limitation and by way of example only, claims:

- a. that have been asserted or may be asserted by any party to the currently pending case of City of Los Angeles v. All Persons Interested in the Matter of the Validity of the Transfer of \$29,931,300 from the Water Revenue Fund to the Reserve Fund (Fiscal Year 2006-2007, No. BC 369238 (Los Angeles County Superior Court);

- b. that have been asserted or may be asserted by any Person in connection with the "Electric Refund Cases" currently pending in Los Angeles Superior Court as Judicial Council Coordination Proceeding 4512; or
- c. any other claims or defenses that have been asserted, or may be asserted in any currently pending action or dispute, other than the Action.

3.4. The Parties hereby waive any and all rights to assert the claims released in Paragraphs 3.1 through 3.3 that they may have under any and all statutes or laws that purport to limit the scope of a general release, including without limitation Section 1542 of the Civil Code of the State of California, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO  
CLAIMS WHICH THE CREDITOR DOES NOT KNOW  
OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME  
OF EXECUTING THE RELEASE, WHICH IF KNOWN  
BY HIM MUST HAVE MATERIALLY AFFECTED HIS  
SETTLEMENT WITH THE DEBTOR.

3.5. Nothing contained in this Agreement shall waive, release, diminish or otherwise impair any claims any Person has or may claim to have with respect to DWP's bilateral sale of electric capacity, energy or ancillary services to the California Department of Water Resources (California Energy Resources Scheduling division) between January 17, 2001 and December 31, 2001. Nothing in this Agreement shall waive, release, diminish or otherwise impair any claims the California Attorney General has or may claim to have for criminal acts or omissions by any Person, or for willfully

fraudulent acts or omissions by any Person, who is benefited by the releases provided herein (except that any claims for willfully fraudulent acts or omissions are released by this Agreement if they are part of the Action, occurred before the effective date of this Agreement, and are currently known to the California Attorney General).

#### **ARTICLE 4: DISMISSAL OF CLAIMS**

4.1. Promptly upon full execution of this Agreement, Plaintiffs and Relators will execute and deliver to DWP a dismissal of the Complaints-In-Intervention with prejudice. DWP shall not file that dismissal, nor shall it be effective, until DWP has paid in full the amounts set forth in Paragraphs 1.1 and 1.2. The Parties agree that the filing of the dismissal, by operation of law, extinguishes all claims alleged or asserted in the Action brought by any Party against any other Party.

4.2. The Parties shall bear their own attorneys' fees, litigation costs, and expenses.

#### **ARTICLE 5: GENERAL PROVISIONS**

5.1. The Parties have been represented by their respective attorneys throughout the negotiation and execution of this Agreement and have not relied upon any advice or representation of opposing parties or their attorneys in entering into this Agreement. The Parties have entered into this Agreement freely, without compulsion, and with full understanding and voluntary acceptance of its terms and they hereby assume the risk of any mistake of fact in connection with the true facts involved, which may now be unknown.



5.2. This Agreement constitutes the entire agreement between Plaintiffs and Relators on the one hand and DWP on the other with respect to the subject matters contained herein and represents the final, complete and exclusive expression of the terms and conditions of the agreement among the Parties. All prior and contemporaneous agreements among the Parties, oral or written, with respect to the subject matter of this Agreement are merged herein and superseded hereby. The Parties acknowledge that no party, or any agent or attorney of any party, has made any promise, representation or warranty whatsoever, express or implied, not contained herein concerning the subject matter hereof, to induce the Parties to execute this Agreement, and the Parties acknowledge that they have not executed this Agreement in reliance on any such promise, representation or warranty.

5.3. This Agreement may not be altered, amended, modified or otherwise changed in any respect whatsoever except by a writing duly executed by all Parties hereto.

5.4. For purposes of construction, this Agreement shall be deemed to have been negotiated and drafted by all of the Parties hereto and no ambiguity shall be resolved against any party by virtue of its participation in the drafting of this Agreement. The Agreement will be construed neutrally and will not be applied more strictly against one Party than another.

5.5. This Agreement shall be binding upon all Parties and their assigns, successors, heirs, executors and administrators, provided however that any entity whom

bill credits are transferred to shall only have the benefit of those credits and no other provisions of this Agreement.

5.6. The Parties agree to use their best efforts to cooperate with each other in good faith and will, without further consideration, execute and deliver further documents or instruments and take such other action as may be reasonably necessary to carry out and effectuate the purposes of this Agreement.

5.7. All notices required or permitted hereunder shall be in writing, and may be sent by facsimile and any form of first-class mail service and addressed to the party for whom it is intended as follows:

To Los Angeles Unified School District:	General Counsel Office of the General Counsel 333 South Beaudry Avenue, 24 <sup>th</sup> Floor Los Angeles, CA 90017
To County of Los Angeles:	Robert C. Cartwright Principal Deputy County Counsel 500 West Temple Street, Rm. 648 Los Angeles, CA 90012-2713
To Los Angeles County Metropolitan Transportation Authority:	Robert B. Reagan Principal Deputy County Counsel Office of the County Counsel One Gateway Plaza Los Angeles, CA 90012
To Los Angeles Community College District:	Camille Goulet General Counsel 770 Wilshire Blvd., 9 <sup>th</sup> Floor Los Angeles, CA 90017-3896
To State of California:	Jacqueline Dale Supervising Deputy Attorney General Attorneys for Plaintiff State of California 455 Golden Gate Avenue, Suite 11000 San Francisco, CA 94102-7004

To State of California  
Department of Finance

Molly E. Arnold  
Chief Counsel  
Department of Finance  
State Capitol Room 1145  
Sacramento, CA 95814

To California State Teachers'  
Retirement System

Douglas Wills  
California State Teachers' Retirement System  
Legal Office  
P.O. Box 15275  
Sacramento, CA 95851

To University of California:

Christopher M. Patti  
Office of the General Counsel  
University of California  
1111 Franklin Street, 8<sup>th</sup> Floor  
Oakland, CA 94607-5200

To Los Angeles Department of  
Water & Power:

Joseph A. Brajevich  
Assistant General Counsel  
LADWP  
111 North Hope Street, Suite 340  
P. O. Box 51111  
Los Angeles, CA 90051-0100

To Samir F. Barakat and  
Barakat Consulting, Inc.:

Eric R. Havian  
Phillips & Cohen LLP  
131 Steuart Street, Suite 501  
San Francisco, CA 94105

The Parties may change the name(s) or address(es) provided in this Paragraph by notice in writing in accordance with this Paragraph to all Parties signed by an appropriate representative of the Party requesting the change.

5.8. It is understood and agreed by the Parties hereto that this Agreement is a compromise of disputed claims alleged or asserted in the Action as set forth in the releases in Paragraphs 3.1 through 3.3 and that the Parties deny liability for all such claims. Neither the execution of this Agreement, nor the consideration therefor shall be construed as an admission as to the merits of any such claim.

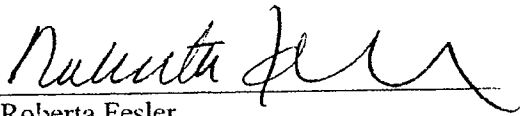
5.9. Each person signing this Agreement represents and warrants that he or she has full authority to sign this Agreement on behalf of the party for whom he or she is signing and warrants that he or she has the ability to bind that party to the obligations and commitments set forth herein.

5.10. This Agreement shall be construed and interpreted in accordance with the laws of the State of California, without regard to its conflict of laws principles. The validity and effect of this Agreement, including any claims for breach of any of the terms hereof, shall be governed by the laws of the State of California. The Parties agree to request that the Superior Court of the State of California for the County of San Bernardino shall retain jurisdiction over the Action under Code of Civil Procedure Section 664.6 to enforce this Agreement.

5.11. Duplicate originals of this Agreement will be executed by the Parties. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement which shall become effective on the Effective Date as defined above.

Dated: *August 27, 2008* LOS ANGELES UNIFIED SCHOOL DISTRICT

By   
Roberta Fesler  
General Counsel

Dated: 9/2/08

COUNTY OF LOS ANGELES

By Tam Tinsell

Dated:

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AGENCY

By \_\_\_\_\_

Dated:

LOS ANGELES COMMUNITY COLLEGE DISTRICT

By \_\_\_\_\_

Dated:

STATE OF CALIFORNIA, DEPARTMENT OF FINANCE

By \_\_\_\_\_  
DIRECTOR

Dated:

COUNTY OF LOS ANGELES

By \_\_\_\_\_

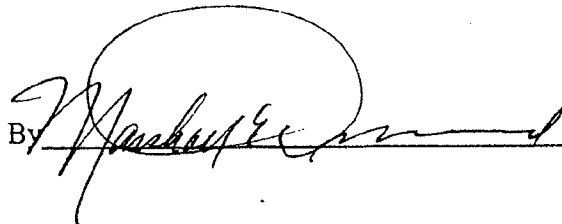
Dated:

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AGENCY

By \_\_\_\_\_

Dated: 9-2-08

LOS ANGELES COMMUNITY COLLEGE DISTRICT

By  \_\_\_\_\_

Dated:

STATE OF CALIFORNIA, DEPARTMENT OF FINANCE

By \_\_\_\_\_  
DIRECTOR


Dated:

COUNTY OF LOS ANGELES

By \_\_\_\_\_

Dated:

LOS ANGELES COUNTY METROPOLITAN   
TRANSPORTATION AGENCY AUTHORITY

By  \_\_\_\_\_

Dated:

LOS ANGELES COMMUNITY COLLEGE DISTRICT

By \_\_\_\_\_

Dated:

STATE OF CALIFORNIA, DEPARTMENT OF FINANCE

By \_\_\_\_\_  
DIRECTOR

COUNTY OF LOS ANGELES

By \_\_\_\_\_

LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AGENCY

By \_\_\_\_\_

LOS ANGELES COMMUNITY COLLEGE DISTRICT

By \_\_\_\_\_

STATE OF CALIFORNIA, DEPARTMENT OF FINANCE

By AG Smith 8/28/08  
for DIRECTOR Mike Genest



Dated:

THE REGENTS OF THE UNIVERSITY OF  
CALIFORNIA

By \_\_\_\_\_

Dated: 8/19/2008

BARAKAT CONSULTING, INC.

By Samir F. Barakat

Dated: 8/19/2008

SAMIR F. BARAKAT

By Samir F. Barakat

Dated:

CITY OF LOS ANGELES ACTING BY AND THROUGH  
LOS ANGELES DEPARTMENT OF WATER & POWER

By \_\_\_\_\_

H. DAVID NAHAI


Chief Executive Officer and General Manager

By \_\_\_\_\_

Secretary of the Board of Directors

Dated: 8/20/08

THE REGENTS OF THE UNIVERSITY OF  
CALIFORNIA

By 

Dated:

BARAKAT CONSULTING, INC.

By \_\_\_\_\_

Dated:

SAMIR F. BARAKAT

By \_\_\_\_\_

Dated:

CITY OF LOS ANGELES ACTING BY AND THROUGH  
LOS ANGELES DEPARTMENT OF WATER & POWER

By \_\_\_\_\_

H. DAVID NAHAI  
Chief Executive Officer and General Manager

By \_\_\_\_\_

Secretary of the Board of Directors

Dated:

THE REGENTS OF THE UNIVERSITY OF  
CALIFORNIA

By \_\_\_\_\_

Dated:

BARAKAT CONSULTING, INC.

By \_\_\_\_\_

Dated:

SAMIR F. BARAKAT

By \_\_\_\_\_

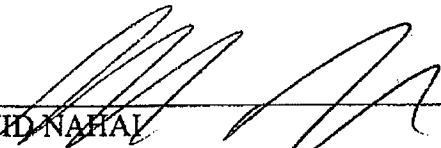
Dated:

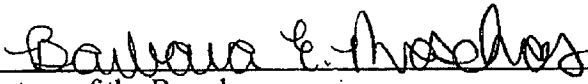
CITY OF LOS ANGELES ACTING BY AND THROUGH  
LOS ANGELES DEPARTMENT OF WATER & POWER

APPROVED AS TO FORM AND LEGALITY  
ROCKARD J. DELGADILLO, CITY ATTORNEY

OCT 22 2008


BY   
JOSEPH A. BRAJEVICH  
ASSISTANT GENERAL COUNSEL

By   
H. DAVID NAHAI  
Chief Executive Officer and General Manager

By   
Secretary of the Board

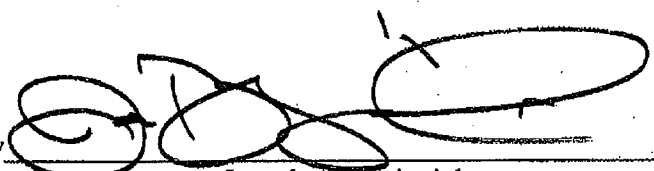
APPROVED AS TO FORM AND CONTENT,

Dated: 9/5/08 PHILLIPS & COHEN, LLP

By   
Eric R. Havian

Attorneys for LOS ANGELES UNIFIED SCHOOL  
DISTRICT, COUNTY OF LOS ANGELES, LOS ANGELES  
METROPOLITAN TRANSPORTATION AGENCY, LOS  
ANGELES COMMUNITY COLLEGE DISTRICT, SAMIR  
F. BARAKAT and BARAKAT CONSULTING, INC.


Dated: 10/22/08

By   
Joseph A. Brajevich

Assistant General Counsel for LOS ANGELES  
DEPARTMENT OF WATER & POWER

Dated: 8-29-08

EDMUND G. BROWN, JR.  
Attorney General of the State of California  
MARK J. BRECKLER  
Senior Assistant Attorney General

By   
JACQUELINE DALE  
Supervising Deputy Attorney General

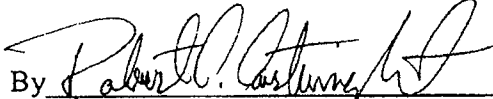
Attorneys for Plaintiff State of California

APPROVED AS TO FORM:

Dated: RAYMOND G. FORTNER, JR.  
County Counsel

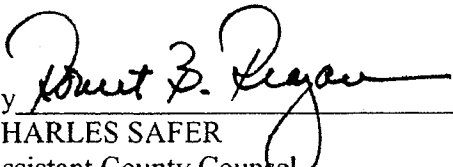
By \_\_\_\_\_  
CHARLES SAFER  
Assistant County Counsel  
Attorneys for Plaintiff Los Angeles County Metropolitan  
Transportation Authority

Dated: RAYMOND G. FORTNER, JR.  
County Counsel

By  \_\_\_\_\_  
ROBERT C. CARTWRIGHT  
Principal Deputy County Counsel  
Attorneys for Plaintiff County of Los Angeles

APPROVED AS TO FORM:

Dated: RAYMOND G. FORTNER, JR.  
County Counsel

By   
for CHARLES SAFER  
Assistant County Counsel  
Attorneys for Plaintiff Los Angeles County Metropolitan  
Transportation Authority

Dated: RAYMOND G. FORTNER, JR.  
County Counsel

By \_\_\_\_\_  
ROBERT C. CARTWRIGHT  
Principal Deputy County Counsel  
Attorneys for Plaintiff County of Los Angeles

**WIRE INSTRUCTIONS FOR PAYMENT TO  
CALIFORNIA DEPARTMENT OF FINANCE**

**Bank**

Bank of America, Sacramento Main  
555 Capitol Mall, Suite 1555  
Sacramento, CA 95814

**Transfer**

Financial Institution:	Bank of America
ABA Routing Number:	0260-0959-3
Beneficiary:	State of California
Beneficiary Information:	LADWP settlement of electric rates (Barakat)
Beneficiary Account Number:	01482-80005

**DOF Contacts**

Chief Counsel  
Department of Finance  
State Capitol, Room 1145  
Sacramento CA 95814  
(916) 324-4856

ATTACHMENT A

**WIRE INSTRUCTIONS FOR PAYMENT TO  
CALIFORNIA DEPARTMENT OF JUSTICE**

**Bank**

Bank of America  
Sacramento Government Services, Unit 1436  
555 Capital Mall, Suite 165  
Sacramento, CA 95814

**Transfer**

Financial Institution:	Bank of America, San Francisco, California
ABA Routing Number:	026009593
Beneficiary:	State of California, Department of Justice
Beneficiary Information:	LADWP settlement of electric rates (Barakat)
Beneficiary Account Number:	01482-80005

**DOJ Contacts**

Michelle Lewis  
Accounting  
(916) 327-4159

Melissa Chavez  
Accounting  
(916) 324-4747

Instructions: Attorney's fees and costs to be forwarded to the California Attorney General's Office, Litigation Deposit Fund, for reimbursement to the False Claims Act Fund: **\$2,528,652.**

ATTACHMENT B

2839/001/X102480.v1

{00005914; 1}



**WIRE INSTRUCTIONS FOR PAYMENT TO  
CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM (CalSTRS)**

**Bank**

JP Morgan Chase Bank  
Chicago, IL

**Transfer**

Financial Institution:	JP Morgan Chase Bank
ABA Routing Number:	021000021
Beneficiary:	CBRE Investors AAF CalSTRS - Northrop Plaza I & II
Beneficiary Information:	LADWP settlement of electric rates (Barakat)
Beneficiary Account Number:	11-23322 / Collection

**CalSTRS Contact**

CBRE Investors AAF CalSTRS - Northrop Plaza I & II  
P.O. Box 100101  
Pasadena, CA 91189-0101

ATTACHMENT C

**WIRE INSTRUCTIONS FOR PAYMENT TO  
UNIVERSITY OF CALIFORNIA, LOS ANGELES (UCLA)**

**Bank**

Bank of America  
Global Client Services  
Building A, 10<sup>th</sup> Floor  
1655 Grant Street  
Concord, CA 94520

**Transfer**

Financial Institution:  
ABA Routing Number:  
Beneficiary:  
Beneficiary Information:  
Beneficiary Account Number:

Bank of America, Global Client Services  
026009593  
UC Regents, UCLA Dept. 3450 - Purchased  
LADWP settlement of electric rates (Barakat)  
1499650103

**UCLA Contact**

Jerry Himmelberg  
Dept. 3450 - Purchased Utilities  
(310) 825-5699

ATTACHMENT D

2839/001/X102482.v1

{00005913; 1}